



U.S. DEPT. OF THE INTERIOR
OFFICE OF SURFACE MINING
Mine Site Evaluation
State Program

DIV. OF OIL, GAS & MINING



| | | | |
|---|--|---|-------------------------------------|
| 1. Permittee/Person SOUTHERN UTAH FUEL CO. | | 9. Permit Number UT-041-002 | 10. Permit Type PP |
| 2. Address 397 SOUTH 800 WEST | | 11. Field Visit Date 06/29/2010 mm - dd - yyyy | 12. Purpose O |
| 3. City SALINA | 4. State UT | 13. SRA Present Y | 14. Permit Status A |
| 5. Zip Code 84654 | 6. Phone Number (435) 529-7428 | 15. Site Status AP | 16. Facility Type BEFG |
| 7. Operator Name, if Different than Permittee | | 17. OSM Office # 140 | 18. CCID # |
| 8. Mine Name CONVULSION CANYON / | | 19. Land Code SF | 20. M.S.H.A ID # 42-00089 |
| | | 21. State Abrev. UT | 22. County Name SEVIER |
| | | 23. AVS Permittee Entity ID Number 060111 | 24. State Office |
| 25. Hours a. Permit Review 8.0 b. Site Visit Time 7.5 c. Travel Time 14.0 d. Report Writing 7.0 | | 26. Signature Block <i>Christine Belka</i> Signature: Christine Belka ID # 182 Printed Name: Date: 07/08/2010 | |
| | | 27. Reviewing Official: <i>J. Belka</i> Signature: Review Date: 7 / 29 2010 mm - dd - yyyy Is Supplemental MSE Page Used Y/N Y | |

Permit Type — Item 10 IP = Interim Program, PP = Permanent Program, NP = No Permit

Purpose Type Codes Item 12

Oxx... Oversight
Axx... Assistance

RFx... Reclamation Fees
Fxx... Federal Actions

CCR... Citizen Complaint Referral (non site visit)
CC... Citizen Complaint (initial site visit)
CCF... Citizen Complaint Follow-up

Joint Inspection — Item 13 A joint inspection is when a state inspector accompanies an OSM inspector any time during the review of the mine site.

Permit Status — Item 14

A... Active: Coal mining and reclamation activities occurring or permitted but not yet disturbed.

IN... Inactive (Permanent Program Permit): Phase II completed or Temporary Cessation of Operations. (Interim Program Permit) Coal mining completed and reclamation activities initiated.

BR... Bond Release: Reclamation completed and State Regulatory Authority (RA) has released all of the bond (Phase III Release.)

AB... Abandoned: All surface and underground coal mining activities have ceased and operator has left the site without completing reclamation as defined in 30 CFR 840.11(g)

AB1... Bond Forfeiture: Bond forfeiture officially in process or completed, and, reclamation in progress or not yet commenced.

AB2... Partially Reclaimed Forfeiture: Forfeited site where all bonds have been used to reclaim site, but site not reclaimed to Program standards.

AB3... Reclaimed Forfeiture: Forfeited site that has been reclaimed to Program standards.

NA... Not Applicable: When site is unpermitted.

Site Status Codes — Item 15

ND... No Disturbance: No coal mining and reclamation operations have been started.

EX... Coal Exploration: Coal exploration operations have started and where coal mining operations have not begun.

AP... Active Coal Producing: Coal surface mining activities are occurring.

AN... Active Non-Producing: Active non-producing facility such as tipple or preparation plant.

NM... No Mining: The Permit Status is active, site is not in Temporary Cessation, no surface coal mining activity, and site not regraded.

MC... Mining Complete: No mining activity on site, site regraded and awaiting phase bond release.

TC... Temporary Cessation: The RA has granted cessation of mining pursuant to 30 CFR 816/817.131(b).

P1... Phase I Release: At least Phase I bond release granted for entire permitted area. For interim permits, partial bond release.

P2... Phase II Release: At least Phase II bond release for the entire permitted area.

P3... Phase III Release: Reclamation completed and the RA has released all bond.

NS... Non-Site Visit: Status of site not determined.

FP... Forfeiture Pending: The RA is pursuing actions to revoke the permit, collect the performance bond(s), and/or reclamation of forfeited site is in progress.

FR... Forfeited and Reclaimed: Forfeiture reclamation completed.

FO... Abandoned Site: Abandoned site that is permitted but there is no bond.

WC... Wildcat: Coal mining and reclamation operations have or are taking place and the activity is not covered by the required permits from the RA.

Facility Type Codes — Item 16

A... Surface

B... Underground

C... Preparation Plant

D... Ancillary (Haulroad, Conveyor, and/or Rails)

E... Refuse and/or Impoundment

F... Loading Facility and/or Tipple

G... Stockpiles

H... Exploration Permits

I... Notice of Intent to Explore

J... Exempt 16 and 2/3

K... Government Financed Construction Exemption

L... Remining site permitted under 30 CFR 785.25

Small Business Regulatory Enforcement Fairness Act (SBREFA)

Your Comments Are Important

The Small Business and Agriculture Regulatory Enforcement Ombudsman and 10 Regional Fairness Boards were established to receive comments from small businesses about Federal agency enforcement actions. The Ombudsman will annually evaluate the enforcement activities and rate each agency's responsiveness to small business. If you are a small business (a business with 500 or fewer employees including those of affiliates) and wish to comment on the enforcement or compliance activities of OSM, call 1-888-REG-FAIR (1-888-734-3247).

U. S. DEPT. OF THE INTERIOR OFFICE OF SURFACE MINING

Mine Site Evaluation

State Program

Permittee/
Person

SOUTHERN UTAH FUEL

Permit
Number

UT-041-002

Field Visit
Date

06/29/2010

Continuation Page

28. Performance Standard Categories

Codes: 1=Compliance, 2=Noncompliance, 3=Not Planned, 4=Not Started, 5=Noncompliance Identified Elsewhere, 6=Previously Cited

A. Administrative

1. ___ Mining within Valid Permit
2. ___ Mining within Bonded Area
3. ___ Terms & Conditions of Permit
4. ___ Liability Insurance
5. ___ Ownership and Control
6. ___ Temporary Cessation
7. ___ AML Rec. Fees -- Non-Respondent
8. ___ AML Rec. Fees -- Failure to Pay

B. Hydrologic Balance

1. 1 Drainage Control
2. ___ Inspections & Certifications
3. ___ Siltation Structures
4. ___ Discharge Structures
5. ___ Diversions
6. ___ Effluent Limits
7. 1 Ground Water Monitoring
8. 1 Surface Water Monitoring
9. ___ Drainage -- Acid-Toxic Materials
10. ___ Impoundments
11. ___ Stream Buffer Zones

C. Topsoil & Subsoil

1. ___ Removal
2. ___ Substitute Materials
3. ___ Storage and Protection
4. ___ Redistribution

D. Backfilling & Grading

1. ___ Exposed Openings
2. ___ Contemporaneous Reclamation
3. ___ Approximate Original Contour
4. ___ Highwall Elimination
5. ___ Steep Slopes (includes downslope)
6. ___ Handling of Acid & Toxic Materials
7. ___ Stabilization (rills and gullies)

E. Excess Spoil Disposal

1. ___ Placement
2. ___ Drainage Control
3. ___ Surface Stabilization
4. ___ Inspections & Certifications

F. Coal Mine Waste

(Refuse Piles/Impoundments)

1. ___ Drainage Control
2. ___ Surface Stabilization
3. ___ Placement
4. ___ Inspections and Certifications
5. ___ Impounding Structures

G. Use Of Explosives

1. ___ Blaster Certification
2. ___ Distance Prohibitions
3. ___ Blast Survey/Schedule
4. ___ Warnings & Records
5. ___ Control of Adverse Effects

H. ___ Subsidence Control Plan

I. Roads

1. ___ Road Construction
2. ___ Certification
3. ___ Drainage
4. ___ Surfacing and Maintenance
5. ___ Reclamation

J. Signs & Markers

1. ___ Signs
2. ___ Markers

K. ___ Distance Prohibitions

L. Revegetation

1. ___ Vegetative Cover
2. ___ Timing

M. ___ Postmining Land Use

N. Other

General

Performance

Category

___ 1) _____

___ 2) _____

___ 3) _____

Performance Standard Categories 30 CFR Counterpart

A. Administrative.....(816/817.71-74)

1. Valid Permit.....773.11
2. Mining within Bonded Area.....773.11
3. Terms & Conditions of Permit.....773.17
4. Liability Insurance.....800.60
5. Ownership and Control.....778.13
6. Temporary Cessation.....842.11(e) & 816/817.131
7. AML Rec. Fees -- Non-Respondant.....870.15(b)
8. AML Rec. Fees -- Failure to Pay.....870.15(a)

B. Hydrologic Balance.....(816/817.41-57)

1. Drainage Control.....45
2. Inspections & Certifications.....49(a)(10)
3. Siltation Structures.....46
4. Discharge Structures.....47
5. Diversions.....43
6. Effluent Limits.....42
7. Ground Water Monitoring.....41(c)
8. Surface Water Monitoring.....41(e)
9. Drainage--Acid - Toxic Materials.....41(f)
10. Impoundments.....49
11. Stream Buffer Zones.....57

C. Topsoil & Subsoil.....(816/817.22)

1. Removal.....22(a)
2. Substitute Materials.....22(c)
3. Storage and Protection.....22(c)
4. Redistribution.....22(d)

D. Backfilling & Grading.....(816/817.95-107)

1. Exposed Openings.....816/817.13, 14, 15, & 823.11 & 21
2. Contemporaneous Reclamation.....100
3. Approximate Original Contour.....102(a)(1)
4. Highwall Elimination.....102(a)(2)
5. Steep Slopes (includes downslope).....107
6. Handling of Acid & Toxic Materials.....102(c)
7. Stabilization (rills and gullies).....95(b)

E. Excess Spoil Disposal.....(816/817.71-74)

1. Placement.....71(e)
2. Drainage Control.....71(f)
3. Surface Stabilization.....71(g)
4. Inspections & Certifications.....71(h)

F. Coal Mine Waste (Refuse Piles/Impoundments)(816/817.81-84)

1. Drainage Control.....83(a)
2. Surface Stabilization.....83(b)
3. Placement.....83(c)
4. Inspections and Certifications.....83(d)
5. Impounding Structures.....84

G. Use Of Explosives.....(816/817.61-68)

1. Blaster Certification.....61(c)
2. Distance Prohibitions.....61(d)
3. Blast Survey/Schedule.....62-64
4. Warnings & Records.....66 & 68
5. Control of Adverse Effects.....67

H. Subsidence Control Plan.....(817.121-122)

I. Roads.....(816/817.150-151)

1. Road Construction.....150(c)
2. Certification.....151(a)
3. Drainage.....150(b)-151(d)
4. Surfacing and Maintenance.....150(e)-151(d)
5. Reclamation.....150(f)

J. Signs & Markers(816/817.11)

1. Signs.....11(a),(b),&(c)
2. Markers.....11(a),(b),(d),(e),&(f)

K. Distance Prohibitions.....(761.11)

L. Revegetation.....(816/817.111-116)

1. Vegetative Cover.....111 & 116
2. Timing.....113

M. Postmining Land Use.....(816/817.133)

Sufco Partial Oversight Inspection / Special Focus Evaluation:

Water Replacement / Mitigation of Subsidence-Related Material Damage to Land or Structures

Utah Division of Oil, Gas and Mining Permit ID # C/041/0002

Tuesday June 29, 2010 9:00 – 4:30

Participants:

Christine Belka, Office of Surface Mining (OSM), Badge ID # 182

Howard Strand, OSM

Steve Faulk, Bureau of Land Management (BLM)

April Abate, Division of Oil, Gas and Mining (DOGM)

Daron Haddock, DOGM

Jim Smith, DOGM

Dale Harber, US Forest Service (USFS)

Joe DiBenedetto, USFS

Tom Llyod, USFS

Eric Petersen, Petersen Hydrologic LLC

Chris Hansen, Southern Utah Fuel Co (Sufco)

Mike Davis, Sufco

Leland Roberts, Sufco

Weather conditions: clear, hot (90's), dry

The purpose of this evaluation was to gather information on subsidence related material damage to water and land resources and related mitigation measures at the Sufco mine. As part of our oversight process, the UT Team is conducting a two-year evaluation of "Water Replacement and Mitigation of Subsidence-related Material Damage to Land or Structures". This is the second year / site visit of our study to assess subsidence-related impacts and mitigation measures. The first site visit was conducted on June 16, 2009.

We began with a group discussion of the situation and current plan to pump water from the M-SP89 spring location to the four damaged spring locations (Pines 105, 310, 311, and Joes Mill Pond). M-SP89 flows at about 20 gpm. Roughly half of this flow would be diverted; the remaining half would be allowed to continue along its established natural watercourse. The pumps would be solar powered, but a portion of the pipeline would be gravity-fed. Approximately 1.5 miles of pipeline will be necessary. This may be difficult to install and may cause long term maintenance problems.

The stock tanks on the Pines Tract were empty at the time of inspection. There are six permanent and fifteen temporary / movable stock tanks on-site. Cattle should not be in this area this year because it is being rested (Forest Service surface management policy). However, fresh hoof prints and droppings indicate cattle were recently present. Borehole NW2-09 was drilled as a potential water source. Some water was found, but it was not a viable producer so the well was sealed. The ground surface in the valley within the fenced-off "Pines 105" former spring area was wet, presumably from snowmelt. Willows, sedges, horsetail, and junkus (all wetland / high water usage species) were alive and showing signs of new growth. However, this is likely due to

snowmelt and is probably not sustainable without additional water contributions throughout the dry summer months.

The “310” and “311” former spring locations were still dry at the time of inspection. The “310 Upper” spring continues to seep at an estimated $\frac{1}{2}$ gpm. Water was pooled in the muddy low area, but flow was not observed. This spring sits above the panel break (tension zone) but does not seem to have been affected by mining activities as adjacent springs have. It was suggested that this water be collected into a trough for cattle rather than allowed to pool in mud. This may detract from wetland / wildlife usage. A nested pair of piezometers (NWP 10 “shallow” and “deep”) was installed near the 310 Upper location. The “shallow” piezometer does not reach water; the “deep” piezometer does – although not in feasible quantities to produce.

Joes Mill Pond has been dry since 2005. Several small seeps used to feed the man-made pond. Of the several piezometers in the area, all but one indicate some water is present, although not in feasible quantities to produce. These piezometers were drilled approximately 15 – 25 feet deep.

The M-SP89 spring was flowing at the time of inspection. It does appear to be a viable source for the water replacement project CFC is currently proposing. CFC would clean out the spring area to install a two collection box system. Roughly 10 gpm would be pumped from the second collection box and distributed between each of the four damaged spring locations. The remainder would be allowed to overflow the collection box system and continue down-slope along its natural path. Mr. Faulk stated that the BLM is ok with whatever plan DOGM, the FS, and CFC agree upon. The Division of Oil, Gas and Mining and the Forest Service are currently reviewing the proposal.

Photographs taken:

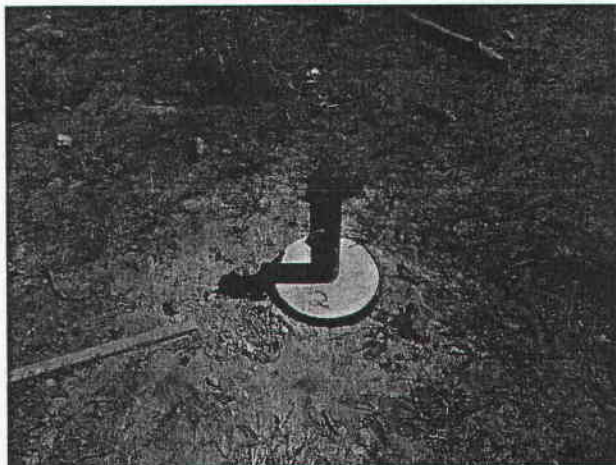


Figure 1: Borehole NW2-09 (sealed)

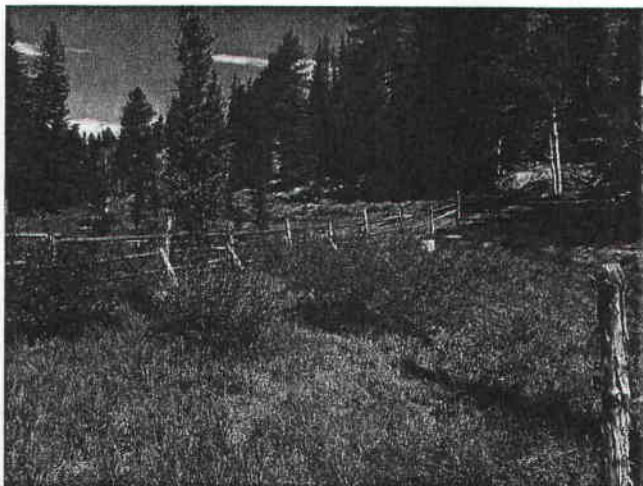


Figure 2: Vegetation within fenced "Pines 105" area



Figure 3: Former "310" spring area



Figure 4: "310 Upper" seep area



Figure 5: M-SP89 Spring flowing ~20gpm



Figure 6: M-SP89 Spring water flowing